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ARIZONA CORPORATION COMMISSION
DOCKETED

August 8, 2008

HAND DELIVERED

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

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Re: *Report Regarding Layoff of AT&T Employees in Arizona Pursuant to
Decision No. 68865; Docket Nos. T-02428A-06-0203, T-03016A-06-0203,
T-03116A-06-0203, T-03287A-06-0203 and T-03346A-06-0203*

Dear Mr. Johnson:

On behalf of AT&T Inc. ("AT&T"), the purpose of this report is to provide further information regarding the layoff of AT&T employees located in Arizona who were given notice of a surplus condition and for which AT&T provided the Commission notice on April 10, 2008. No facility closure was involved. This report is provided pursuant to the first ordering paragraph at page 10 of Decision No. 68865.

The layoffs were necessary to improve efficiencies and reduce business expenses. The force reduction involved six (6) management employees in the Mobility Global Strategic Sales organization and three (3) management employees in the Worldwide Customer Service organization. In an effort to redeploy those employees within AT&T, the employees retained access to the internal AT&T job search system. Eight of the employees were able to locate another position within AT&T prior to the termination date. One of the employees was not able to locate another position and thus received a severance package. If you have any questions regarding this report, please feel free to contact me at (512) 870-2280. Also, you can contact our local counsel, Mike Grant with Gallagher & Kennedy, P.A., at (602) 530-8291.

Ernest Johnson
August 8, 2008
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Very truly yours,

A handwritten signature in black ink, appearing to read "Michael M. Shas", with a long horizontal flourish extending to the right.

for Sharon Mullin
Director
AT&T Services, Inc.

cc (delivered): Ernest Johnson, Utilities Division
Mike Grant, Esq.

Original and 23 copies filed with Docket
Control this 8th day of August, 2008.